

# Financial Supplement 2010

Zurich Financial Services Group  
Half Year Report 2010

## Results for the Six Months to June 30, 2010 Financial Supplement (unaudited)

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## Financial highlights (unaudited)

## Business operating profit by business segment

in USD millions, for the six months ended June 30

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Revenues</b>														
Direct written premiums and policy fees <sup>1</sup>	16,860	17,427	5,738	5,969	–	–	–	–	183	258	–	(3)	22,781	23,651
Assumed written premiums	1,080	820	49	54	2,491	2,883	65	70	39	70	(120)	(121)	3,605	3,775
Gross written premiums and policy fees	17,940	18,247	5,787	6,023	2,491	2,883	65	70	223	328	(120)	(124)	26,387	27,426
Less premiums ceded to reinsurers	(2,769)	(2,815)	(399)	(360)	–	–	(24)	(27)	(11)	(18)	120	124	(3,084)	(3,095)
Net written premiums and policy fees	15,171	15,432	5,388	5,663	2,491	2,883	41	43	211	310	–	–	23,303	24,331
Net change in reserves for unearned premiums	(1,393)	(1,201)	(10)	6	691	(660)	1	1	1	2	3	–	(707)	(1,853)
Net earned premiums and policy fees	13,778	14,231	5,379	5,669	3,182	2,222	42	44	212	312	3	–	22,595	22,478
Farmers management fees and other related revenues	–	–	–	–	1,399	1,247	–	–	–	–	–	–	1,399	1,247
Net investment result on Group investments	1,444	1,584	2,176	1,824	83	85	260	139	360	77	(437)	(418)	3,886	3,291
Net investment income on Group investments	1,439	1,533	1,952	2,022	83	85	260	220	263	296	(437)	(418)	3,561	3,739
Net capital gains/(losses) and impairments on Group investments	5	50	224	(198)	–	–	–	(80)	96	(220)	–	–	326	(448)
Net investment result on unit-linked investments	–	–	358	826	–	–	–	–	6	97	–	–	364	923
Other income	313	341	375	384	47	32	369	509	58	108	(521)	(583)	641	792
<b>Total BOP revenues</b>	<b>15,534</b>	<b>16,156</b>	<b>8,288</b>	<b>8,704</b>	<b>4,712</b>	<b>3,587</b>	<b>671</b>	<b>692</b>	<b>636</b>	<b>593</b>	<b>(955)</b>	<b>(1,001)</b>	<b>28,886</b>	<b>28,730</b>
<i>of which: inter-segment revenues</i>	<i>(184)</i>	<i>(169)</i>	<i>(116)</i>	<i>(112)</i>	<i>(36)</i>	<i>(45)</i>	<i>(585)</i>	<i>(635)</i>	<i>(34)</i>	<i>(39)</i>	<i>955</i>	<i>1,001</i>	<i>–</i>	<i>–</i>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	9,785	10,047	4,663	5,211	2,143	1,559	37	(30)	813	(481)	–	–	17,441	16,306
Losses and loss adjustment expenses, net	9,775	10,030	31	23	2,143	1,559	–	2	133	12	–	5	12,083	11,630
Life insurance death and other benefits, net	9	17	5,024	4,770	–	–	37	41	338	314	–	1	5,407	5,143
(Decrease)/increase in future life policyholders' benefits, net <sup>1</sup>	1	–	(392)	418	–	–	–	(72)	342	(807)	–	(6)	(50)	(467)
Policyholder dividends and participation in profits, net	1	6	910	1,081	–	–	–	–	(68)	102	3	–	845	1,189
Income tax expense/(benefit) attributable to policyholders	–	–	(3)	(170)	–	–	–	–	–	–	–	–	(3)	(170)
Underwriting and policy acquisition costs, net	2,641	2,595	751	784	990	656	–	–	3	4	(2)	(2)	4,384	4,036
Administrative and other operating expense (excl. depreciation/amortization)	1,541	1,612	850	771	659	577	507	392	96	82	(512)	(556)	3,141	2,877
Interest credited to policyholders and other interest	23	18	211	200	1	–	1	–	33	33	(1)	(8)	267	244
Restructuring provisions and other items not included in BOP	(86)	(45)	(40)	(19)	(16)	–	(82)	56	(5)	1,062	–	–	(229)	1,053
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	13,904	14,233	7,343	7,858	3,777	2,792	463	418	870	802	(512)	(566)	25,846	25,536
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>1,630</b>	<b>1,922</b>	<b>945</b>	<b>846</b>	<b>935</b>	<b>795</b>	<b>208</b>	<b>274</b>	<b>(234)</b>	<b>(208)</b>	<b>(443)</b>	<b>(434)</b>	<b>3,040</b>	<b>3,194</b>
Depreciation and impairments of property and equipment	39	32	16	16	37	33	13	16	2	2	–	–	107	99
Amortization and impairments of intangible assets	89	77	152	124	53	33	26	14	7	2	–	–	327	249
Interest expense on debt	113	99	35	48	–	5	530	483	51	75	(443)	(434)	284	275
Business operating profit before non-controlling interests	1,390	1,715	743	658	845	724	(361)	(239)	(294)	(287)	–	–	2,322	2,571
Non-controlling interests	13	1	23	17	–	–	–	–	–	–	–	–	36	19
<b>Business operating profit</b>	<b>1,377</b>	<b>1,714</b>	<b>720</b>	<b>641</b>	<b>845</b>	<b>724</b>	<b>(361)</b>	<b>(239)</b>	<b>(295)</b>	<b>(287)</b> <sup>2</sup>	<b>–</b>	<b>–</b>	<b>2,286</b>	<b>2,552</b>
Supplementary information														
Additions and capital improvements to property, equipment and intangible assets	112	250	26	262	172	151	30	36	2	4	–	–	343	703

<sup>1</sup> The Global Life segment includes approximately USD 617 million and USD 1,435 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in our Spanish operations for the six months ended June 30, 2010 and 2009, respectively (see note 3 of the Group's Financial Report 2009).

<sup>2</sup> Business operating profit (BOP) has not been restated for the change in the current value of certain insurance liabilities and assets amounting to USD 938 million in order to ensure a fair reflection of sustainable operating profit and comparability (see note 1 to the unaudited Consolidated Financial Statements).

## Financial highlights (unaudited)

Adjusted business operating profit by business segment	in USD millions, as of June 30											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Average allocated common shareholders' equity	15,140	12,785	6,975	4,520	3,260	2,991	1,573	599	1,401	1,365	28,349	22,260
Adjusted business operating profit	1,336	1,674	649	520	814	687	(208)	(26)	(305)	(302)	2,286	2,552
<b>Adjusted BOP return on common shareholders' equity</b>	<b>17.6%</b>	<b>26.2%</b>	<b>18.6%</b>	<b>23.0%</b>	<b>49.9%</b>	<b>45.9%</b>	<b>(27.2%)</b>	<b>(12.7%)</b>	<b>(43.5%)</b>	<b>(44.3%)</b>	<b>16.1%</b>	<b>22.8%</b>
<b>BOPAT return on average allocated common shareholders' equity</b>											<b>12.4%</b>	<b>17.3%</b>

Reconciliation of BOP to net income after income taxes	in USD millions, for the six months ended June 30											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Business operating profit</b>	<b>1,377</b>	<b>1,714</b>	<b>720</b>	<b>641</b>	<b>845</b>	<b>724</b>	<b>(361)</b>	<b>(239)</b>	<b>(295)</b>	<b>(287)</b>	<b>2,286</b>	<b>2,552</b>
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	19	(460)	11	(288)	(1)	(31)	82	(120)	(18)	(117)	92	(1,017)
Net gain/(loss) on divestments of businesses	–	(2)	–	–	–	–	–	–	1	(3)	1	(4)
Restructuring provisions and other	(86)	(45)	(40)	(19)	(16)	–	(82)	56	(5)	1,062 <sup>1</sup>	(229)	1,053
Add back:												
Business operating profit attributable to non-controlling interests	13	1	23	17	–	–	–	–	–	–	36	19
<b>Net income before shareholders' taxes</b>	<b>1,322</b>	<b>1,209</b>	<b>714</b>	<b>351</b>	<b>828</b>	<b>692</b>	<b>(360)</b>	<b>(304)</b>	<b>(317)</b>	<b>655</b>	<b>2,186</b>	<b>2,603</b>
Income tax expense attributable to policyholders	–	–	(3)	(170)	–	–	–	–	–	–	(3)	(170)
<b>Net income before income taxes</b>	<b>1,322</b>	<b>1,209</b>	<b>711</b>	<b>181</b>	<b>828</b>	<b>692</b>	<b>(360)</b>	<b>(304)</b>	<b>(317)</b>	<b>655</b>	<b>2,183</b>	<b>2,434</b>
Income tax expense (attributable to policyholders and shareholders)											(505)	(466)
<b>Net income after taxes</b>											<b>1,679</b>	<b>1,968</b>

<sup>1</sup> Business operating profit (BOP) has not been restated for the change in the current value of certain insurance liabilities and assets amounting to USD 938 million in order to ensure a fair reflection of sustainable operating profit and comparability (see note 1 to the unaudited Consolidated Financial Statements).

## Financial highlights (unaudited)

## Assets and liabilities by business segment

in USD millions, as of

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09
<b>Assets</b>														
Total Group Investments	81,321	85,413	93,700	101,597	4,563	4,561	17,059	18,027	15,207	15,826	(26,186)	(29,167)	185,664	196,258
Cash and cash equivalents	8,002	9,940	4,027	4,385	1,047	734	6,250	6,226	2,698	2,762	(12,278)	(12,417)	9,747	11,631
Equity securities	4,023	4,743	3,975	5,342	72	85	1,330	1,538	419	742	–	–	9,819	12,450
Debt securities	63,077	63,594	60,337	62,883	1,321	1,302	3,366	2,920	7,739	6,669	(930)	(1,024)	134,910	136,344
Real estate held for investment	2,791	3,004	4,179	4,408	139	149	44	46	160	181	–	–	7,313	7,789
Mortgage loans	1,338	1,483	7,796	9,021	–	–	–	–	1,789	2,264	–	(33)	10,923	12,736
Other loans	2,082	2,623	13,288	15,432	1,983	2,290	6,064	7,294	2,325	3,129	(12,978)	(15,693)	12,765	15,077
Equity method accounted investments	8	25	97	125	–	–	5	3	78	79	–	–	187	232
Investments for unit-linked contracts	–	–	80,798	87,430	–	–	–	–	11,594	11,737	–	–	92,392	99,167
<b>Total investments</b>	<b>81,321</b>	<b>85,413</b>	<b>174,498</b>	<b>189,026</b>	<b>4,563</b>	<b>4,561</b>	<b>17,059</b>	<b>18,027</b>	<b>26,801</b>	<b>27,563</b>	<b>(26,186)</b>	<b>(29,167)</b>	<b>278,056</b>	<b>295,425</b>
Reinsurers' share of reserves for insurance contracts	13,255	12,957	1,816	2,160	211	211	–	(95)	4,563	4,812	(1,045)	(1,293)	18,801	18,751
Deposits made under assumed reinsurance contracts	62	66	5	3	2,896	3,158	–	–	537	664	(25)	(29)	3,474	3,861
Deferred policy acquisition costs	3,324	3,374	11,355	12,276	351	529	–	–	2	2	–	–	15,032	16,181
Deferred origination costs	–	–	784	856	–	–	–	–	–	–	–	–	784	856
Goodwill	963	1,029	391	442	821	821	5	5	–	–	–	–	2,180	2,297
Other intangible assets	1,283	1,419	3,336	4,000	1,462	1,397	212	219	3	9	–	–	6,296	7,044
Other assets <sup>1</sup>	14,559	15,339	6,812	6,730	1,206	1,547	1,541	1,737	1,313	1,470	(1,852)	(2,037)	23,580	24,786
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>114,768</b>	<b>119,597</b>	<b>198,996</b>	<b>215,494</b>	<b>11,510</b>	<b>12,224</b>	<b>18,817</b>	<b>19,893</b>	<b>33,218</b>	<b>34,521</b>	<b>(29,107)</b>	<b>(32,527)</b>	<b>348,202</b>	<b>369,202</b>
<b>Liabilities</b>														
Liabilities for investment contracts	–	–	42,759	46,374	–	–	–	–	–	–	(249)	(250)	42,510	46,124
Reserves for insurance contracts, gross	78,162	79,900	124,873	136,256	3,517	3,946	59	365	22,620	22,903	(1,027)	(1,276)	228,204	242,094
Reserves for losses and loss adjustment expenses, gross	61,009	63,476	60	35	2,055	1,793	50	49	3,155	3,531	(765)	(799)	65,563	68,086
Reserves for unearned premiums, gross	16,004	15,191	278	302	1,462	2,153	4	5	32	33	(9)	(7)	17,770	17,676
Future life policyholders' benefits, gross	87	98	66,139	74,760	–	–	6	311	4,943	4,572	(253)	(470)	70,922	79,271
Policyholders' contract deposits and other funds, gross	1,062	1,135	15,015	14,691	–	–	–	–	2,897	3,030	1	1	18,975	18,857
Reserves for unit-linked contracts, gross	–	–	43,381	46,468	–	–	–	–	11,593	11,736	–	–	54,974	58,204
Debt related to capital markets and banking activities	–	–	–	–	–	–	577	553	2,103	2,584	(1,800)	(2,298)	881	839
Senior debt	3,697	3,462	167	265	–	–	20,383	23,224	1,237	1,082	(19,945)	(21,756)	5,540	6,277
Subordinated debt	1,687	2,054	747	1,019	–	–	4,850	5,206	137	155	(2,604)	(3,268)	4,817	5,167
Other liabilities	14,139	14,942	17,236	17,615	1,864	1,801	1,807	1,709	4,700	5,208	(3,483)	(3,679)	36,264	37,596
<b>Total liabilities</b>	<b>97,685</b>	<b>100,357</b>	<b>185,782</b>	<b>201,530</b>	<b>5,381</b>	<b>5,747</b>	<b>27,677</b>	<b>31,058</b>	<b>30,797</b>	<b>31,932</b>	<b>(29,107)</b>	<b>(32,527)</b>	<b>318,216</b>	<b>338,098</b>
<b>Equity</b>														
Common shareholders' equity													27,954	28,743
Preferred securities													515	561
Shareholders' equity													28,469	29,304
Non-controlling interests													1,518	1,800
Total equity													29,986	31,104
<b>Total liabilities and equity</b>													<b>348,202</b>	<b>369,202</b>

<sup>1</sup> The General Insurance segment, includes assets held for sale of USD 12 million and USD 67 million as of June 30, 2010 and December 31, 2009, respectively, related to land and buildings formerly classified as held for own use.

## General Insurance (unaudited)

General Insurance – Customer segment overview	in USD millions, for the six months ended June 30													
	Global Corporate		North America Commercial		Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	4,245	4,249	4,995	5,177	7,520	7,846	1,443	1,295	260	208	(522)	(528)	17,940	18,247
Net earned premiums and policy fees	2,382	2,402	3,715	4,121	6,625	6,710	1,030	979	26	20	–	–	13,778	14,231
Insurance benefits and losses, net	1,690	1,835	2,426	2,861	4,811	4,812	739	612	119	(73)	–	–	9,785	10,047
Policyholder dividends and participation in profits, net	(1)	–	4	6	(3)	–	–	–	–	–	–	–	1	6
Total net technical expenses	480	463	1,143	1,161	1,704	1,663	369	349	16	17	1	(11)	3,713	3,643
Net underwriting result	213	104	142	94	114	234	(79)	18	(110)	75	(1)	11	279	535
Net investment income	278	308	554	579	493	554	80	74	32	25	2	(6)	1,439	1,533
Net capital gains/(losses) and impairments on investments	1	16	3	24	1	11	–	–	–	–	–	–	5	50
Net non-technical result (excl. items not included in BOP)	(30)	(73)	(140)	(120)	(189)	(176)	28	(17)	(2)	(13)	(1)	(4)	(333)	(403)
Business operating profit before non-controlling interests	462	354	558	576	419	624	30	75	(80)	87	–	–	1,390	1,715
Non-controlling interests	–	–	–	–	(1)	–	13	1	–	–	–	–	13	1
Business operating profit	462	354	558	576	420	624	16	74	(80)	87	–	–	1,377	1,714
Adjusted business operating profit	472	367	535	566	398	586	11	68	(80)	86	–	–	1,336	1,674
Adjusted business operating profit return on common shareholders' equity	24.9%	23.4%	21.6%	24.4%	16.6%	32.2%	2.7%	21.2%	(20.4%)	23.7%	–	–	17.6%	26.2%
Ratios, as % of net earned premiums and policy fees														
Loss ratio	70.9%	76.4%	65.3%	69.4%	72.6%	71.7%	71.8%	62.5%	nm	nm	n/a	n/a	71.0%	70.6%
Expense ratio	20.1%	19.3%	30.9%	28.3%	25.7%	24.8%	35.9%	35.7%	nm	nm	n/a	n/a	27.0%	25.6%
Combined ratio	91.1%	95.7%	96.2%	97.7%	98.3%	96.5%	107.6%	98.2%	nm	nm	n/a	n/a	98.0%	96.2%

## General Insurance (unaudited)

General Insurance – Revenues by region	in USD millions, for the six months ended June 30	Gross written premiums and policy fees from external customers	
		2010	2009
<b>Global Corporate</b>			
North America		1,406	1,465
Europe		2,426	2,472
Rest of Global Corporate		262	189
<b>Subtotal</b>		<b>4,093</b>	<b>4,126</b>
<b>Europe &amp; Africa</b>			
United Kingdom		1,442	1,486
Germany		1,696	1,765
Switzerland		1,561	1,496
Italy		1,007	1,055
Spain		640	687
Southern Africa		323	313
Rest of Europe & Africa		865	986
<b>Subtotal</b>		<b>7,533</b>	<b>7,788</b>
<b>Americas</b>			
United States		4,623	4,828
Rest of North America		268	221
Latin America		638	625
<b>Subtotal</b>		<b>5,529</b>	<b>5,674</b>
<b>Asia-Pacific &amp; Middle East</b>			
Asia-Pacific Mature Markets		647	531
China & South East Asia		121	114
<b>Subtotal</b>		<b>768</b>	<b>646</b>
<b>Central Region</b>			
Europe		2	–
<b>Subtotal</b>		<b>2</b>	<b>–</b>
<b>Total</b>		<b>17,925</b>	<b>18,234</b>

## General Insurance (unaudited)

General Insurance – Assets by region	in USD millions, as of	Property/equipment and intangible assets	
		06/30/10	12/31/09
Europe & Africa			
United Kingdom		202	222
Germany		213	253
Switzerland		122	127
Italy		61	75
Spain		624	747
Southern Africa		18	22
Rest of Europe & Africa		1,350	1,437
<b>Subtotal</b>		<b>2,589</b>	<b>2,883</b>
Americas			
United States		221	216
Rest of North America		6	6
Latin America		163	164
<b>Subtotal</b>		<b>390</b>	<b>386</b>
Asia-Pacific & Middle East			
Asia-Pacific Mature Markets		96	93
China & South East Asia		22	24
<b>Subtotal</b>		<b>118</b>	<b>117</b>
<b>Total</b>		<b>3,098</b>	<b>3,385</b>



## General Insurance (unaudited)

Customer segment reporting – Europe General Insurance by region	in USD millions, for the six months ended June 30																	
	United Kingdom		Germany		Switzerland		Italy		Spain		Southern Africa		Rest of Europe & Africa		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	1,449	1,498	1,703	1,772	1,561	1,495	1,007	1,068	641	697	323	313	848	1,335	(11)	(332)	7,520	7,846
Net earned premiums and policy fees	1,449	1,448	1,369	1,219	1,084	1,032	1,020	1,016	598	560	264	252	841	1,183	–	–	6,625	6,710
Net underwriting result	4	69	63	82	132	112	(74)	(116)	37	29	19	(8)	(57)	58	(11)	8	114	234
<b>Business operating profit</b>	<b>97</b>	<b>183</b>	<b>111</b>	<b>162</b>	<b>200</b>	<b>169</b>	<b>(37)</b>	<b>(76)</b>	<b>42</b>	<b>51</b>	<b>15</b>	<b>4</b>	<b>(9)</b>	<b>130</b>	<b>–</b>	<b>–</b>	<b>420</b>	<b>624</b>
Ratios, as % of net earned premiums and policy fees																		
Loss ratio	73.1%	69.8%	73.6%	72.2%	65.4%	67.1%	81.7%	86.8%	67.4%	70.2%	56.6%	77.1%	77.3%	64.3%	n/a	n/a	72.6%	71.7%
Expense ratio	26.6%	25.5%	21.8%	21.1%	22.4%	22.0%	25.6%	24.6%	26.5%	24.6%	36.3%	25.9%	29.5%	30.8%	n/a	n/a	25.7%	24.8%
Combined ratio	<b>99.7%</b>	<b>95.2%</b>	<b>95.4%</b>	<b>93.3%</b>	<b>87.8%</b>	<b>89.1%</b>	<b>107.3%</b>	<b>111.4%</b>	<b>93.8%</b>	<b>94.9%</b>	<b>92.9%</b>	<b>103.0%</b>	<b>106.7%</b>	<b>95.1%</b>	<b>n/a</b>	<b>n/a</b>	<b>98.3%</b>	<b>96.5%</b>

Customer segment reporting – Europe General Insurance split into Commercial and Personal	in USD millions, for the six months ended June 30							
	Commercial		Personal		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	3,301	3,355	4,219	4,495	–	(4)	7,520	7,846
Net earned premiums and policy fees	2,673	2,658	3,951	4,051	–	–	6,625	6,710
Net underwriting result	167	173	(40)	59	(14)	2	114	234
<b>Business operating profit</b>	<b>344</b>	<b>393</b>	<b>76</b>	<b>231</b>	<b>–</b>	<b>–</b>	<b>420</b>	<b>624</b>
Ratios, as % of net earned premiums and policy fees								
Loss ratio	68.8%	70.1%	75.2%	72.8%	n/a	n/a	72.6%	71.7%
Expense ratio	24.9%	23.4%	25.8%	25.8%	n/a	n/a	25.7%	24.8%
Combined ratio	<b>93.7%</b>	<b>93.5%</b>	<b>101.0%</b>	<b>98.5%</b>	<b>n/a</b>	<b>n/a</b>	<b>98.3%</b>	<b>96.5%</b>

## General Insurance (unaudited)

Customer segment reporting – International Markets by region	in USD millions, for the six months ended June 30															
	Latin America		Asia-Pacific Mature Markets		China & South East Asia		Middle East		Rest of Asia Pacific & Middle East		Rest of International Markets		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	638	635	647	532	158	129	–	–	–	–	–	–	–	–	1,443	1,295
Net earned premiums and policy fees	383	433	526	452	121	93	–	–	–	–	–	–	–	–	1,030	979
Net underwriting result	(75)	(12)	(2)	17	(2)	12	–	–	–	–	–	–	–	–	(79)	18
<b>Business operating profit</b>	<b>(16)</b>	<b>16</b>	<b>33</b>	<b>46</b>	<b>4</b>	<b>13</b>	<b>–</b>	<b>–</b>	<b>(6)</b>	<b>–</b>	<b>1</b>	<b>(2)</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>74</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	77.1%	62.3%	74.1%	69.3%	44.6%	30.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	71.8%	62.5%
Expense ratio	42.4%	40.4%	26.2%	26.9%	57.3%	56.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	35.9%	35.7%
Combined ratio	<b>119.5%</b>	<b>102.7%</b>	<b>100.3%</b>	<b>96.2%</b>	<b>101.9%</b>	<b>87.0%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>107.6%</b>	<b>98.2%</b>

Customer segment reporting – International Markets split into Commercial and Personal	in USD millions, for the six months ended June 30							
	Commercial		Personal		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	782	671	674	624	(13)	–	1,443	1,295
Net earned premiums and policy fees	523	473	507	506	–	–	1,030	979
Net underwriting result	(65)	8	(14)	10	–	–	(79)	18
<b>Business operating profit</b>	<b>13</b>	<b>44</b>	<b>4</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>74</b>

Ratios, as % of net earned premiums and policy fees

Loss ratio	79.7%	66.1%	63.6%	59.2%	n/a	n/a	71.8%	62.5%
Expense ratio	32.6%	32.2%	39.1%	38.9%	n/a	n/a	35.9%	35.7%
Combined ratio	<b>112.4%</b>	<b>98.2%</b>	<b>102.7%</b>	<b>98.1%</b>	<b>n/a</b>	<b>n/a</b>	<b>107.6%</b>	<b>98.2%</b>

## Global Life (unaudited)

Global Life –  
Overview

in USD millions, for the six months ended June 30

	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total		
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
<b>Revenues</b>																					
Life insurance deposits	146	317	2,257	1,505	1,291	954	19	23	1,239	570	1,086	1,231	601	600	684	347			7,324	5,546	
Gross written premiums and policy fees <sup>1</sup>	752	566	698	420	1,447	1,524	914	945	309	176	988	1,881	210	118	497	408	(27)	(16)	5,787	6,023	
Net earned premiums and policy fees	599	448	601	334	1,400	1,473	911	942	258	128	957	1,857	190	101	462	386			5,379	5,669	
Net investment income on Group investments	228	216	148	163	815	851	300	294	47	45	211	254	21	23	181	176			1,952	2,022	
Net capital gains/(losses) and impairments on Group investments	2	4	160	(56)	52	(117)	(2)	11	22	(18)		2	1	(2)	(11)	(24)			224	(198)	
Net investment result on Group investments	230	220	307	108	867	734	298	305	70	27	211	256	22	22	170	152			2,176	1,824	
Net investment income on unit-linked investments	(7)	(2)	694	739	8	12	7	1	102	96	53	32	2	1	57	38			916	917	
Net capital gains/(losses) and impairments on unit-linked investments	(33)	48	(724)	(1,105)	18	494	(10)	15	89	168	(64)	65	186	82	(22)	139			(557)	(91)	
Net investment result on unit-linked investments	(40)	46	(30)	(366)	26	506	(3)	16	192	265	(11)	97	189	83	36	177			358	826	
Other income	59	56	91	99	69	86	24	24		1	23	20	25	31	86	69	(2)	(1)	375	384	
<b>Total BOP revenues</b>	<b>848</b>	<b>771</b>	<b>970</b>	<b>174</b>	<b>2,362</b>	<b>2,800</b>	<b>1,230</b>	<b>1,287</b>	<b>520</b>	<b>421</b>	<b>1,180</b>	<b>2,231</b>	<b>426</b>	<b>236</b>	<b>755</b>	<b>784</b>	<b>(2)</b>	<b>(1)</b>	<b>8,288</b>	<b>8,704</b>	
<b>Benefits, losses and expenses</b>																					
Insurance benefits and losses, net <sup>1</sup>	394	291	295	188	1,535	1,608	891	865	171	17	1,002	1,929	60	39	315	273			4,663	5,211	
Policyholder dividends and participation in profits, net	(35)	44	114	(355)	254	583	59	108	226	291	(10)	103	185	81	116	226			910	1,081	
Income tax expense/(benefit) attributable to policyholders			(37)	(203)	23	18			9	8					2	7			(3)	(170)	
Underwriting and policy acquisition costs, net	98	100	217	240	153	181	77	77	43	52	13	44	78	29	71	62			751	784	
Administrative and other operating expense (excl. depreciation/amortization)	121	99	199	184	111	161	86	94	28	28	58	32	48	31	201	143	(2)	(1)	850	771	
Interest credited to policyholders and other interest	84	84	5	6	75	74	7	9	20		1	7	14	13	5	6			211	200	
Restructuring provisions and other items not included in BOP	1		(9)	(18)			(4)	18	(5)		(13)	(24)	(5)	10	(3)	(5)			(40)	(19)	
<b>Total BOP benefits, losses and expenses</b>	<b>663</b>	<b>618</b>	<b>784</b>	<b>42</b>	<b>2,152</b>	<b>2,625</b>	<b>1,116</b>	<b>1,172</b>	<b>492</b>	<b>397</b>	<b>1,051</b>	<b>2,091</b>	<b>380</b>	<b>203</b>	<b>706</b>	<b>712</b>	<b>(2)</b>	<b>(1)</b>	<b>7,343</b>	<b>7,858</b>	
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>185</b>	<b>153</b>	<b>185</b>	<b>132</b>	<b>210</b>	<b>175</b>	<b>114</b>	<b>115</b>	<b>28</b>	<b>24</b>	<b>129</b>	<b>140</b>	<b>46</b>	<b>33</b>	<b>48</b>	<b>72</b>			<b>945</b>	<b>846</b>	
Depreciation and impairments of property and equipment	1	1	5	4	6	6	2	1		1			2	2	1	1			16	16	
Amortization and impairments of intangible assets	11	9	23	(20)	34	20				1	71	84	1	2	11	28			152	124	
Interest expense on debt	1	1	3	7			1	1			27	33			3	5			35	48	
Business operating profit before non-controlling interests	172	142	155	141	170	149	112	113	27	23	31	22	42	29	33	38			743	658	
Non-controlling interests	4	2			5	4					15	11							23	17	
<b>Business operating profit</b>	<b>168</b>	<b>140</b>	<b>155</b>	<b>141</b>	<b>166</b>	<b>145</b>	<b>112</b>	<b>113</b>	<b>27</b>	<b>23</b>	<b>17</b>	<b>11</b>	<b>42</b>	<b>29</b>	<b>33</b>	<b>38</b>			<b>720</b>	<b>641</b>	
<b>Supplementary information</b>																					
Gross written premiums and policy fees from external customers	752	566	695	417	1,422	1,497	914	945	309	176	988	1,881	181	97	490	402			5,750	5,982	
Property, equipment and intangible assets <sup>2</sup>	281	297	398	446	831	1,020	138	198	5	5	2,386	2,859	8	11	124	163			4,169	4,998	

<sup>1</sup> The Global Life segment includes approximately USD 617 million and USD 1,435 million of gross written premiums and future life policyholders' benefits for certain universal life-type contracts in our Spanish operations for the six months ended June 30, 2010 and 2009, respectively (see note 3 of the Group's Financial Report 2009).<sup>2</sup> As of June 30, 2010 and December 31, 2009 respectively.

## Global Life (unaudited)

Global Life –  
Americas

in USD millions, for the six months ended June 30

	United States		Latin America		Eliminations		Total Americas	
	2010	2009	2010	2009	2010	2009	2010	2009
Insurance deposits	118	253	28	64	–	–	146	317
Gross written premiums and policy fees	378	369	374	197	–	–	752	566
Net earned premiums and policy fees	271	263	328	185	–	–	599	448
Net investment income on Group investments	171	168	58	48	–	–	228	216
Net capital gains/(losses) and impairments on Group investments	2	5	–	(2)	–	–	2	4
Net investment result on Group investments	173	174	58	47	–	–	230	220
Net investment result on unit-linked investments	(37)	3	(3)	43	–	–	(40)	46
Total BOP benefits, losses and expenses	324	359	338	259	–	–	663	618
<b>Business operating profit</b>	<b>120</b>	<b>117</b>	<b>49</b>	<b>22</b>	<b>–</b>	<b>–</b>	<b>168</b>	<b>140</b>

Global Life –  
Emerging Markets  
in Asia

in USD millions, for the six months ended June 30

			of which			
	Total		ZIS		Hong Kong	
	2010	2009	2010	2009	2010	2009
Insurance deposits	601	600	519	530	83	69
Gross written premiums and policy fees	210	118	153	73	40	39
Net earned premiums and policy fees	190	101	137	53	29	34
Net investment income on Group investments	21	23	5	8	16	16
Net capital gains/(losses) and impairments on Group investments	1	(2)	–	(9)	1	7
Net investment result on Group investments	22	22	6	(1)	17	23
Net investment result on unit-linked investments	189	83	197	36	(8)	47
Total BOP benefits, losses and expenses	380	203	315	96	36	96
<b>Business operating profit</b>	<b>42</b>	<b>29</b>	<b>45</b>	<b>18</b>	<b>2</b>	<b>10</b>

## Global Life (unaudited)

Global Life – Rest of the world	in USD millions, for the six months ended June 30				of which	
			Total		Italy	
	2010	2009	2010	2009	2010	2009
Insurance deposits	684	347	346	271		
Gross written premiums and policy fees	497	408	195	161		
Net earned premiums and policy fees	462	386	191	165		
Net investment income on Group investments	181	176	117	119		
Net capital gains/(losses) and impairments on Group investments	(11)	(24)	–	(14)		
Net investment result on Group investments	170	152	117	105		
Net investment result on unit-linked investments	36	177	74	139		
Total BOP benefits, losses and expenses	706	712	348	360		
<b>Business operating profit</b>	<b>33</b>	<b>38</b>	<b>18</b>	<b>21</b>		

Global Life – Total investments	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Total	
	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09
	Total Group investments	91.9	91.0	15.6	15.1	81.3	81.4	97.0	96.9	25.2	26.4	64.8	69.8	17.8	16.8	62.1	63.5	53.7
Cash and cash equivalents	3.1	3.2	14.5	14.7	2.3	2.0	3.6	3.0	7.6	6.6	5.2	7.6	16.3	15.6	1.3	2.0	4.3	4.3
Equity securities	1.0	1.0	6.3	10.0	1.8	2.2	6.0	7.8	19.1	20.8	0.2	1.2	7.5	8.4	10.9	11.6	4.2	5.3
Debt securities	87.8	88.2	75.7	72.4	50.1	47.8	60.8	59.1	71.1	70.4	76.6	70.8	67.3	67.6	82.4	80.3	64.4	61.9
Equity method accounted investments	–	–	0.2	0.2	–	–	–	–	–	–	0.1	0.1	–	–	0.9	1.0	0.1	0.1
Other investments	8.1	7.6	3.3	2.6	45.7	48.0	29.6	30.0	2.1	2.2	17.9	20.3	8.9	8.5	4.5	5.0	27.0	28.4
Investments for unit-linked contracts	8.1	9.0	84.4	84.9	18.7	18.6	3.0	3.1	74.8	73.6	35.2	30.2	82.2	83.2	37.9	36.5	46.3	46.3
<b>Total investments</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Global Life – Reserves for life insurance contracts and liabilities for investment contracts, net of reinsurance	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total	
	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09	06/30/10	12/31/09
	Unit-linked insurance and investment contracts	1,189	1,233	47,187	51,968	8,641	9,467	1,769	1,842	8,302	8,484	4,398	4,411	7,301	7,486	7,352	7,951	–	–	86,140
Other life insurance liabilities	6,788	6,730	4,613	4,394	37,631	42,645	15,348	15,678	1,256	1,337	7,702	9,670	1,130	1,115	4,881	5,735	–	(2)	79,350	87,304
<b>Total reserves and liabilities</b>	<b>7,977</b>	<b>7,964</b>	<b>51,800</b>	<b>56,363</b>	<b>46,272</b>	<b>52,111</b>	<b>17,116</b>	<b>17,520</b>	<b>9,559</b>	<b>9,821</b>	<b>12,100</b>	<b>14,080</b>	<b>8,432</b>	<b>8,601</b>	<b>12,233</b>	<b>13,686</b>	<b>–</b>	<b>(2)</b>	<b>165,490</b>	<b>180,145</b>

## Farmers (unaudited)

Farmers –  
Overview

in USD millions, for the six months ended June 30

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	–	–	2,491	2,883	–	–	2,491	2,883
Net earned premiums and policy fees	–	–	3,182	2,222	–	–	3,182	2,222
Management fees and other related revenues	1,399	1,247	–	–	–	–	1,399	1,247
Insurance benefits and losses, net	–	–	(2,143)	(1,559)	–	–	(2,143)	(1,559)
Total net technical expenses	(718)	(636)	(990)	(657)	–	–	(1,708)	(1,293)
Net underwriting result	681	610	49	7	–	–	730	617
Net investment income	27	43	57	43	–	–	83	85
Net non-technical result (excl. items not included in BOP)	(13)	(9)	45	31	–	–	31	21
Business operating profit before non-controlling interests	694	643	151	80	–	–	845	724
Business operating profit	694	643	151	80	–	–	845	724
Ratios, as % of net earned premiums and policy fees								
Loss ratio	nm	nm	67.3%	70.1%	–	–	–	–
Expense ratio	nm	nm	31.1%	29.5%	–	–	–	–
Combined ratio	nm	nm	98.5%	99.7%	–	–	–	–

## Additional information (unaudited)

Principal exchange rates	USD per foreign currency unit	Balance sheets		Income statements and cash flows	
		06/30/10	12/31/09	06/30/10	06/30/09
	Euro	1.2291	1.4333	1.3295	1.3326
	Swiss franc	0.9285	0.9649	0.9248	0.8857
	British pound	1.4951	1.6164	1.5266	1.4915

Currency translation impact on key financial figures – General Insurance	variance over the prior period, for the six months ended June 30, 2010	in USD		change	change in
		millions	in %	in USD	local currency
	Gross written premiums and policy fees	363	2%	(2%)	(4%)
	Net investment income on total investments	24	2%	(6%)	(8%)
	Net capital gains/(losses) and impairments on total investments	–	–	(90%)	(90%)
	Insurance benefits and losses, net of reinsurance	(173)	(2%)	3%	4%
	Business operating profit	(6)	–	(20%)	(19%)

Currency translation impact on key financial figures – Global Life	variance over the prior period, for the six months ended June 30, 2010	in USD		change	change in
		millions	in %	in USD	local currency
	Insurance deposits	62	1%	32%	31%
	Gross written premiums and policy fees	93	2%	(4%)	(5%)
	Net investment result on Group investments	20	1%	19%	18%
	Net investment income on Group investments	19	1%	(3%)	(4%)
	Net capital gains/(losses) and impairments on Group investments	1	–	nm	nm
	Net investment result on unit-linked investments	(9)	(1%)	(57%)	(56%)
	Insurance benefits and losses, net of reinsurance	(65)	(1%)	11%	12%
	Business operating profit	4	1%	12%	12%

## Additional information (unaudited)

Investment result	in USD millions, for the six months ended June 30					
	Net investment income		Net capital gains/(losses) on investments and impairments <sup>1</sup>		Investment result	
	2010	2009	2010	2009	2010	2009
Group investments						
Cash and cash equivalents	27	68	1	(1)	28	67
Equity securities	173	195	(239)	(499)	(66)	(304)
Debt securities	2,632	2,727	827	(691)	3,459	2,036
Real estate held for investment	226	224	3	(8)	229	216
Mortgage loans	256	280	(345)	(59)	(89)	221
Other loans	347	352	1	1	347	353
Equity method accounted investments	9	(3)	(27)	–	(18)	(3)
Other investments <sup>2</sup>	–	2	197	(207)	197	(204)
Investment result, gross, for Group investments	3,669	3,845	418	(1,465)	4,087	2,381
Investment expenses for Group investments <sup>3</sup>	(109)	(107)	–	–	(109)	(107)
Investment result, net, for Group investments	3,561	3,739	418	(1,465)	3,979	2,274
Investments for unit-linked contracts						
Investment result, net, for investments for unit-linked contracts	767	811	(402)	112	364	923
Total investments						
Investment result, net, for total investments	4,327	4,550	16	(1,353)	4,343	3,197

<sup>1</sup> Impairment charges on investments amounted in total to USD 763 million and USD 738 million for the six months ended June 30, 2010 and 2009, respectively, of which impairments on equity securities comprised USD 395 million and USD 392 million, on debt securities USD (1) million and USD 287 million, and on mortgage loans, other loans and equity method accounted investments USD 368 million and USD 59 million for the six months ended June 30, 2010 and 2009, respectively.

<sup>2</sup> The net capital gains/(losses) in other investments arise entirely from derivative financial instruments and include net capital gains/(losses) on derivatives attributable to cash flow hedges ineffectiveness amounted to USD 16 million and USD 10 million for the six months ended June 30, 2010 and 2009, respectively.

<sup>3</sup> Including rental operating expense for real estate held for total investments of USD 53 million and USD 55 million for the six months ended June 30, 2010 and 2009, respectively.



## Additional information (unaudited)

Details of investments by category	as of	Group investments				Investments for unit-linked products		Total investments	
		06/30/10		12/31/09		06/30/10	12/31/09	06/30/10	12/31/09
		USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Cash and cash equivalents		9,747	5.2	11,631	5.9	6,191	5,840	15,938	17,471
Equity securities:									
Fair value through profit or loss		3,791	2.0	5,018	2.6	71,296	78,311	75,087	83,329
<i>of which: trading</i>		487	0.3	879	0.4	–	–	487	879
<i>of which: trading equity portfolios in capital markets and banking activities</i>		150	0.1	461	0.2	–	–	150	461
Available-for-sale		6,029	3.2	7,432	3.8	–	–	6,029	7,432
Total equity securities		9,819	5.3	12,450	6.3	71,296	78,311	81,115	90,761
Debt securities:									
Fair value through profit or loss		7,942	4.3	7,684	3.9	9,744	10,194	17,686	17,878
<i>of which: trading</i>		295	0.2	82	0.0	–	–	295	82
Available-for-sale		122,105	65.8	123,516	62.9	–	–	122,105	123,516
Held-to-maturity		4,863	2.6	5,143	2.6	–	–	4,863	5,143
Total debt securities		134,910	72.7	136,344	69.5	9,744	10,194	144,653	146,538
Real estate held for investment		7,313	3.9	7,789	4.0	3,791	3,897	11,104	11,686
Mortgage loans		10,923	5.9	12,736	6.5	–	–	10,923	12,736
Other loans		12,765	6.9	15,077	7.7	1,370	924	14,135	16,001
Equity method accounted investments		187	0.1	232	0.1	–	–	187	232
Total investments		185,664	100.0	196,258	100.0	92,392	99,167	278,056	295,425

Equity securities (including trading equity portfolios in capital markets and banking activities)	as of	Group investments				Investments for unit-linked contracts		Total investments	
		06/30/10		12/31/09		06/30/10	12/31/09	06/30/10	12/31/09
		USD millions	% of total	USD millions	% of total	USD millions	USD millions	USD millions	USD millions
Common stocks, including equity unit trusts		7,196	3.9	8,839	4.5	62,459	69,004	69,654	77,842
Unit trusts (debt securities, real estate, short-term investments)		2,059	1.1	2,477	1.3	8,837	9,307	10,896	11,784
Common stock portfolios backing the participating with-profit policyholder contracts		414	0.2	674	0.3	–	–	414	674
Trading equity portfolios in capital markets and banking activities		150	0.1	461	0.2	–	–	150	461
Total equity securities		9,819	5.3	12,450	6.3	71,296	78,311	81,115	90,761

## Information for the three months ended June 30 (unaudited)

## Business operating profit by business segment

in USD millions, for the three months ended June 30

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Revenues</b>														
Direct written premiums and policy fees	7,418	8,027	2,372	2,758	–	–	–	–	88	124	–	4	9,877	10,913
Assumed written premiums	513	407	26	32	996	1,827	30	35	20	31	(58)	(61)	1,526	2,270
Gross written premiums and policy fees	7,931	8,433	2,398	2,790	996	1,827	30	35	108	155	(58)	(57)	11,403	13,184
Less premiums ceded to reinsurers	(1,411)	(1,506)	(195)	(174)	–	–	(12)	(13)	–	(3)	58	57	(1,559)	(1,639)
Net written premiums and policy fees	6,519	6,928	2,203	2,616	996	1,827	18	21	108	152	–	–	9,844	11,544
Net change in reserves for unearned premiums	229	347	4	17	589	(713)	2	2	–	1	2	–	826	(347)
Net earned premiums and policy fees	6,748	7,274	2,207	2,633	1,585	1,114	20	23	108	153	2	–	10,670	11,198
Farmers management fees and other related revenues	–	–	–	–	696	624	–	–	–	–	–	–	696	624
Net investment result on Group investments	709	808	1,076	1,033	41	44	130	85	210	153	(215)	(226)	1,952	1,897
Net investment income on Group investments	718	772	979	1,050	41	44	130	118	129	149	(215)	(226)	1,782	1,907
Net capital gains/(losses) and impairments on Group investments	(9)	36	97	(17)	–	–	–	(33)	82	4	–	–	170	(10)
Net investment result on unit-linked investments	–	–	(3,985)	3,806	–	–	–	–	(184)	419	–	–	(4,169)	4,226
Other income	150	176	179	201	22	29	189	234	34	59	(242)	(294)	331	406
<b>Total BOP revenues</b>	<b>7,607</b>	<b>8,259</b>	<b>(523)</b>	<b>7,674</b>	<b>2,343</b>	<b>1,811</b>	<b>340</b>	<b>342</b>	<b>167</b>	<b>785</b>	<b>(455)</b>	<b>(519)</b>	<b>9,479</b>	<b>18,351</b>
<i>of which: inter-segment revenues</i>	(89)	(90)	(50)	(61)	(18)	(25)	(284)	(320)	(15)	(24)	455	519	–	–
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	4,712	5,177	2,028	2,230	1,101	752	16	(5)	678	(613)	–	–	8,535	7,540
Losses and loss adjustment expenses, net	4,713	5,170	6	16	1,101	752	–	1	93	(34)	1	6	5,915	5,910
Life insurance death and other benefits, net	(2)	7	2,295	2,308	–	–	16	21	164	143	–	–	2,472	2,480
(Decrease)/increase in future life policyholders' benefits, net	1	–	(273)	(95)	–	–	–	(28)	421	(722)	(1)	(6)	147	(850)
Policyholder dividends and participation in profits, net	3	4	(3,655)	3,979	–	–	–	–	(286)	435	2	–	(3,936)	4,418
Income tax expense/(benefit) attributable to policyholders	–	–	(239)	104	–	–	–	–	–	–	–	–	(239)	104
Underwriting and policy acquisition costs, net	1,298	1,308	330	379	494	329	–	–	1	3	–	(1)	2,123	2,018
Administrative and other operating expense (excl. depreciation/amortization)	757	868	444	388	324	293	311	241	50	73	(239)	(284)	1,647	1,579
Interest credited to policyholders and other interest	8	7	103	101	–	–	–	–	17	17	(1)	(3)	127	122
Restructuring provisions and other items not included in BOP	(52)	(36)	(11)	(10)	(2)	–	(102)	29	(6)	786	–	–	(173)	768
<b>Total BOP benefits, losses and expenses (before interest, depreciation and amortization)</b>	<b>6,726</b>	<b>7,328</b>	<b>(1,000)</b>	<b>7,171</b>	<b>1,917</b>	<b>1,374</b>	<b>225</b>	<b>266</b>	<b>454</b>	<b>700</b>	<b>(238)</b>	<b>(289)</b>	<b>8,084</b>	<b>16,550</b>
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>881</b>	<b>931</b>	<b>478</b>	<b>503</b>	<b>426</b>	<b>436</b>	<b>115</b>	<b>76</b>	<b>(286)</b>	<b>85</b>	<b>(218)</b>	<b>(231)</b>	<b>1,396</b>	<b>1,801</b>
Depreciation and impairments of property and equipment	19	15	8	8	16	17	4	8	1	1	–	–	47	50
Amortization and impairments of intangible assets	50	43	70	37	27	17	15	8	7	1	–	–	168	106
Interest expense on debt	58	48	17	27	–	2	258	256	24	39	(218)	(231)	139	141
Business operating profit before non-controlling interests	755	824	383	432	383	400	(162)	(196)	(319)	44	–	–	1,041	1,504
Non-controlling interests	(1)	(1)	14	13	–	–	–	–	–	–	–	–	13	13
<b>Business operating profit</b>	<b>756</b>	<b>825</b>	<b>369</b>	<b>418</b>	<b>383</b>	<b>400</b>	<b>(162)</b>	<b>(196)</b>	<b>(319)</b>	<b>44</b>	<b>–</b>	<b>–</b>	<b>1,027</b>	<b>1,491</b>
Supplementary information														
Additions and capital improvements of property, equipment and intangible assets	71	80	15	202	36	21	14	18	1	3	–	–	136	323

## Information for the three months ended June 30 (unaudited)

Reconciliation of BOP to net income after income taxes	in USD millions, for the three months ended June 30											
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Business operating profit</b>	<b>756</b>	<b>825</b>	<b>369</b>	<b>418</b>	<b>383</b>	<b>400</b>	<b>(162)</b>	<b>(196)</b>	<b>(319)</b>	<b>44</b>	<b>1,027</b>	<b>1,491</b>
Revenues/(expenses) not included in BOP:												
Net capital gains/(losses) on investments and impairments, net of policyholder allocation	(22)	(82)	29	(127)	(4)	(14)	61	(86)	(8)	(73)	57	(382)
Net gain/(loss) on divestments of businesses	–	–	–	–	–	–	–	–	1	–	1	–
Restructuring provisions and other	(52)	(36)	(11)	(10)	(2)	–	(102)	29	(6)	786	(173)	768
Add back:												
Business operating profit attributable to non-controlling interests	(1)	(1)	14	13	–	–	–	–	–	–	13	13
<b>Net income before shareholders' taxes</b>	<b>681</b>	<b>706</b>	<b>401</b>	<b>295</b>	<b>377</b>	<b>386</b>	<b>(202)</b>	<b>(253)</b>	<b>(332)</b>	<b>757</b>	<b>925</b>	<b>1,890</b>
Income tax expense attributable to policyholders	–	–	(239)	104	–	–	–	–	–	–	(239)	104
<b>Net income before income taxes</b>	<b>681</b>	<b>706</b>	<b>162</b>	<b>399</b>	<b>377</b>	<b>386</b>	<b>(202)</b>	<b>(253)</b>	<b>(332)</b>	<b>757</b>	<b>686</b>	<b>1,995</b>
Income tax expense (attributable to policyholders and shareholders)											40	(565)
<b>Net income after taxes</b>											<b>726</b>	<b>1,430</b>

## Information for the three months ended June 30 (unaudited)

General Insurance – Customer segment overview	in USD millions, for the three months ended June 30													
	Global Corporate		North America Commercial		Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	1,755	1,860	2,741	2,795	2,806	3,244	783	680	136	93	(290)	(239)	7,931	8,433
Net earned premiums and policy fees	1,148	1,211	1,897	2,092	3,161	3,467	525	495	17	10	–	–	6,748	7,274
Insurance benefits and losses, net	806	938	1,253	1,478	2,293	2,513	350	300	11	(53)	–	–	4,712	5,177
Policyholder dividends and participation in profits, net	1	–	2	4	–	–	–	–	–	–	–	–	3	4
Total net technical expenses	234	243	555	585	836	859	182	170	11	4	4	(8)	1,822	1,854
Net underwriting result	107	30	87	25	32	94	(6)	24	(6)	58	(4)	8	211	240
Net investment income	139	153	276	281	246	285	40	39	15	16	2	(3)	718	772
Net capital gains/(losses) and impairments on investments	(2)	12	(6)	16	–	9	–	–	–	–	–	–	(9)	36
Net non-technical result (excl. items not included in BOP)	(8)	(48)	(77)	(58)	(87)	(86)	(13)	(10)	17	(16)	3	(5)	(165)	(223)
Business operating profit before non-controlling interests	236	147	281	265	191	302	21	53	26	58	–	–	755	824
Non-controlling interests	–	–	–	–	–	(1)	(1)	–	–	–	–	–	(1)	(1)
Business operating profit	236	147	280	265	191	302	22	53	26	58	–	–	756	825
Ratios, as % of net earned premiums and policy fees														
Loss ratio	70.2%	77.5%	66.0%	70.6%	72.5%	72.5%	66.6%	60.6%	nm	nm	n/a	n/a	69.8%	71.2%
Expense ratio	20.5%	20.0%	29.3%	28.1%	26.5%	24.8%	34.6%	34.4%	nm	nm	n/a	n/a	27.0%	25.5%
Combined ratio	90.7%	97.5%	95.4%	98.8%	99.0%	97.3%	101.1%	95.1%	nm	nm	n/a	n/a	96.9%	96.7%

## Information for the three months ended June 30 (unaudited)

Global Life –  
Overview

in USD millions, for the three months ended June 30

	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total		
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	
<b>Revenues</b>																					
Life insurance deposits	78	169	1,403	853	672	517	10	10	519	325	480	783	310	331	497	263	–	–	3,970	3,250	
Gross written premiums and policy fees	388	274	289	317	707	799	210	255	98	99	434	803	63	59	223	198	(16)	(12)	2,398	2,790	
Net earned premiums and policy fees	308	216	240	278	685	773	209	253	72	73	429	803	54	52	211	187	–	–	2,207	2,633	
Net investment income on Group investments	115	108	74	83	397	440	150	147	26	27	112	140	12	10	94	95	–	–	979	1,050	
Net capital gains/(losses) and impairments on Group investments	1	3	85	14	21	(11)	(19)	20	19	(23)	(1)	1	(6)	(4)	(4)	(18)	–	–	97	(17)	
Net investment result on Group investments	116	111	158	98	418	430	131	167	46	4	111	141	6	6	90	77	–	–	1,076	1,033	
Net investment income on unit-linked investments	–	4	342	407	–	2	–	–	60	59	32	3	1	1	42	22	–	–	477	497	
Net capital gains/(losses) and impairments on unit-linked investments	(63)	71	(3,248)	1,531	(416)	790	(15)	25	(225)	417	(80)	92	(276)	188	(139)	195	–	–	(4,462)	3,309	
Net investment result on unit-linked investments	(63)	75	(2,905)	1,938	(416)	791	(15)	25	(165)	476	(48)	95	(275)	189	(97)	217	–	–	(3,985)	3,806	
Other income	30	26	49	53	29	39	12	10	–	–	11	10	12	23	39	39	(2)	(1)	179	201	
<b>Total BOP revenues</b>	<b>391</b>	<b>428</b>	<b>(2,459)</b>	<b>2,366</b>	<b>716</b>	<b>2,033</b>	<b>336</b>	<b>455</b>	<b>(47)</b>	<b>553</b>	<b>503</b>	<b>1,049</b>	<b>(204)</b>	<b>270</b>	<b>242</b>	<b>520</b>	<b>(2)</b>	<b>(1)</b>	<b>(523)</b>	<b>7,674</b>	
<b>Benefits, losses and expenses</b>																					
Insurance benefits and losses, net	189	141	133	72	782	825	230	202	31	7	454	826	15	30	194	127	–	–	2,028	2,230	
Policyholder dividends and participation in profits, net	(58)	70	(2,687)	1,933	(298)	904	(21)	76	(137)	478	(49)	101	(277)	181	(128)	236	–	–	(3,655)	3,979	
Income tax expense/(benefit) attributable to policyholders	–	–	(259)	84	11	10	–	–	6	9	–	–	–	–	2	2	–	–	(239)	104	
Underwriting and policy acquisition costs, net	50	48	128	93	41	95	36	37	21	33	7	30	9	15	39	29	–	–	330	379	
Administrative and other operating expense (excl. depreciation/amortization)	67	45	118	97	46	72	43	49	23	14	27	20	19	8	103	83	(2)	(1)	444	388	
Interest credited to policyholders and other interest	43	42	2	2	36	38	3	5	9	–	1	3	8	7	1	4	–	–	103	101	
Restructuring provisions and other items not included in BOP	1	–	6	(19)	–	–	(4)	14	(5)	–	(6)	(13)	–	10	(2)	(2)	–	–	(11)	(10)	
<b>Total BOP benefits, losses and expenses</b>	<b>292</b>	<b>347</b>	<b>(2,560)</b>	<b>2,261</b>	<b>618</b>	<b>1,944</b>	<b>287</b>	<b>382</b>	<b>(52)</b>	<b>541</b>	<b>433</b>	<b>967</b>	<b>(227)</b>	<b>251</b>	<b>209</b>	<b>478</b>	<b>(2)</b>	<b>(1)</b>	<b>(1,000)</b>	<b>7,171</b>	
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>99</b>	<b>81</b>	<b>101</b>	<b>105</b>	<b>98</b>	<b>89</b>	<b>49</b>	<b>73</b>	<b>5</b>	<b>12</b>	<b>70</b>	<b>82</b>	<b>23</b>	<b>19</b>	<b>33</b>	<b>42</b>	<b>–</b>	<b>–</b>	<b>478</b>	<b>503</b>	
Depreciation and impairments of property and equipment	–	–	2	2	3	3	1	1	–	–	–	–	1	1	–	–	–	–	8	8	
Amortization and impairments of intangible assets	6	5	11	(31)	13	11	–	–	–	–	34	42	1	1	5	9	–	–	70	37	
Interest expense on debt	1	1	1	6	–	–	–	–	–	–	13	17	–	–	2	2	–	–	17	27	
Business operating profit before non-controlling interests	92	75	86	128	82	75	48	72	5	11	23	22	21	17	26	30	–	–	383	432	
Non-controlling interests	1	1	–	–	2	2	–	–	–	–	11	10	–	–	–	–	–	–	14	13	
<b>Business operating profit</b>	<b>92</b>	<b>75</b>	<b>86</b>	<b>128</b>	<b>79</b>	<b>73</b>	<b>48</b>	<b>72</b>	<b>5</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>21</b>	<b>17</b>	<b>26</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>369</b>	<b>418</b>	
<b>Supplementary information</b>																					
Gross written premiums and policy fees from external customers	388	274	288	316	696	785	210	255	98	99	434	803	44	42	220	193	–	–	2,378	2,766	

## Information for the three months ended June 30 (unaudited)

Farmers –  
Overview

in USD millions, for the three months ended June 30

	Farmers Management Services		Farmers Re		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Gross written premiums and policy fees	–	–	996	1,827	–	–	996	1,827
Net earned premiums and policy fees	–	–	1,585	1,114	–	–	1,585	1,114
Management fees and other related revenues	696	624	–	–	–	–	696	624
Insurance benefits and losses, net	–	–	(1,101)	(752)	–	–	(1,101)	(752)
Total net technical expenses	(357)	(325)	(494)	(329)	–	–	(850)	(654)
Net underwriting result	339	299	(10)	32	–	–	329	331
Net investment income	13	21	28	22	–	–	41	44
Net non-technical result (excl. items not included in BOP)	(9)	1	22	24	–	–	13	25
Business operating profit before non-controlling interests	343	322	40	78	–	–	383	400
Business operating profit	343	322	40	78	–	–	383	400
Ratios, as % of net earned premiums and policy fees								
Loss ratio	–	–	69.5%	67.6%	–	–	–	–
Expense ratio	–	–	31.1%	29.6%	–	–	–	–
Combined ratio	–	–	100.7%	97.1%	–	–	–	–

## Information for the six months ended June 30 – FX adjusted (unaudited)

Business operating profit by business segment – FX adjusted	variance in % over the prior period, for the six months ended June 30, 2010													
	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
<b>Revenues</b>														
Direct written premiums and policy fees	(3)	(5)	(4)	(5)	n/a	n/a	n/a	n/a	(29)	(29)	nm	nm	(4)	(6)
Assumed written premiums	32	30	(9)	(10)	(14)	(14)	(6)	(10)	(44)	(44)	1	3	(5)	(5)
Gross written premiums and policy fees	(2)	(4)	(4)	(5)	(14)	(14)	(6)	(10)	(32)	(32)	3	6	(4)	(5)
Less premiums ceded to reinsurers	2	4	(11)	(8)	n/a	n/a	9	13	37	36	(3)	(6)	–	3
Net written premiums and policy fees	(2)	(4)	(5)	(6)	(14)	(14)	(5)	(8)	(32)	(32)	n/a	n/a	(4)	(6)
Net change in reserves for unearned premiums	(16)	(13)	nm	nm	nm	nm	(22)	(22)	(45)	(45)	n/a	n/a	62	64
Net earned premiums and policy fees	(3)	(5)	(5)	(7)	43	43	(5)	(9)	(32)	(32)	n/a	n/a	1	(1)
Farmers management fees and other related revenues	n/a	n/a	n/a	n/a	12	12	n/a	n/a	n/a	n/a	n/a	n/a	12	12
Net investment result on Group investments	(9)	(10)	19	18	(2)	(2)	87	84	nm	nm	(4)	(4)	18	17
Net investment income on Group investments	(6)	(8)	(3)	(4)	(2)	(2)	18	17	(11)	(12)	(4)	(4)	(5)	(6)
Net capital gains/(losses) and impairments on Group investments	(90)	(90)	nm	nm	n/a	n/a	nm	nm	nm	nm	n/a	n/a	nm	nm
Net investment result on unit-linked investments	n/a	n/a	(57)	(56)	n/a	n/a	n/a	n/a	(94)	(94)	n/a	n/a	(61)	(60)
Other income	(8)	(10)	(2)	(7)	46	46	(27)	(31)	(46)	(46)	11	15	(19)	(21)
<b>Total BOP revenues</b>	<b>(4)</b>	<b>(6)</b>	<b>(5)</b>	<b>(6)</b>	<b>31</b>	<b>31</b>	<b>(3)</b>	<b>(6)</b>	<b>7</b>	<b>8</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>(1)</b>
<b>Benefits, losses and expenses</b>														
Insurance benefits and losses, net	3	4	11	12	(37)	(37)	nm	nm	nm	nm	n/a	n/a	(7)	(5)
Losses and loss adjustment expenses, net	3	4	(38)	(42)	(37)	(37)	75	75	nm	nm	90	91	(4)	(2)
Life insurance death and other benefits, net	47	48	(5)	(4)	n/a	n/a	10	13	(7)	(7)	nm	nm	(5)	(4)
(Decrease)/increase in future life policyholders' benefits, net	nm	nm	nm	nm	n/a	n/a	(100)	(100)	nm	nm	(92)	(93)	(89)	(87)
Policyholder dividends and participation in profits, net	86	85	16	16	n/a	n/a	n/a	n/a	nm	nm	n/a	n/a	29	29
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	(98)	(98)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(98)	(98)
Underwriting and policy acquisition costs, net	(2)	–	4	5	(51)	(51)	nm	nm	20	19	(18)	(18)	(9)	(8)
Administrative and other operating expense (excl. depreciation/amortization)	4	9	(10)	(5)	(14)	(14)	(29)	(22)	(17)	(17)	(8)	(12)	(9)	(5)
Interest credited to policyholders and other interest	(24)	(11)	(5)	(5)	n/a	n/a	(80)	(75)	1	3	(86)	(86)	(9)	(8)
Restructuring provisions and other items not included in BOP	92	87	nm	nm	n/a	n/a	nm	nm	nm	nm	n/a	n/a	nm	nm
Total BOP benefits, losses and expenses (before interest, depreciation and amortization)	2	4	7	8	(35)	(35)	(11)	(4)	(9)	(9)	(10)	(13)	(1)	–
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>(16)</b>	<b>(15)</b>	<b>12</b>	<b>11</b>	<b>18</b>	<b>18</b>	<b>(24)</b>	<b>(21)</b>	<b>(13)</b>	<b>(10)</b>	<b>(2)</b>	<b>–</b>	<b>(5)</b>	<b>(4)</b>
Depreciation and impairments of property and equipment	(5)	(1)	(1)	–	(10)	(10)	23	26	(11)	(9)	n/a	n/a	(2)	–
Amortization and impairments of intangible assets	(16)	(13)	(22)	(22)	(61)	(61)	(95)	(87)	nm	nm	n/a	n/a	(32)	(30)
Interest expense on debt	(14)	(14)	28	28	nm	nm	(10)	(8)	33	33	2	–	(3)	(2)
Business operating profit before non-controlling interests	(19)	(19)	13	12	17	17	(51)	(43)	(3)	(1)	n/a	n/a	(10)	(9)
Non-controlling interests	nm	nm	(35)	(35)	n/a	n/a	nm	nm	(35)	(35)	n/a	n/a	(93)	(93)
<b>Business operating profit</b>	<b>(20)</b>	<b>(19)</b>	<b>12</b>	<b>12</b>	<b>17</b>	<b>17</b>	<b>(51)</b>	<b>(43)</b>	<b>(3)</b>	<b>(1)</b>	<b>n/a</b>	<b>n/a</b>	<b>(10)</b>	<b>(9)</b>

## Information for the six months ended June 30 – FX adjusted (unaudited)

## Assets and liabilities by business segment – FX adjusted

variance in % over the prior period, for the six months ended June 30, 2010

	General Insurance		Global Life		Farmers		Other Operating Businesses		Non-Core Businesses		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
<b>Assets</b>														
Total Group Investments	(5)	–	(8)	3	–	–	(5)	(2)	(4)	(1)	10	4	(5)	2
Cash and cash equivalents	(19)	(14)	(8)	1	43	43	–	4	(2)	3	1	(4)	(16)	(10)
Equity securities	(15)	(9)	(26)	(18)	(16)	(16)	(13)	(12)	(44)	(40)	n/a	n/a	(21)	(15)
Debt securities	(1)	4	(4)	6	1	1	15	17	16	17	9	(1)	(1)	6
Real estate held for investment	(7)	1	(5)	2	(7)	(7)	(4)	–	(11)	(3)	n/a	n/a	(6)	1
Mortgage loans	(10)	(6)	(14)	(3)	n/a	n/a	n/a	n/a	(21)	(15)	nm	nm	(14)	(5)
Other loans	(21)	(16)	(14)	–	(13)	(13)	(17)	(12)	(26)	(23)	17	11	(15)	(4)
Equity method accounted investments	(69)	(66)	(22)	(18)	n/a	n/a	46	51	(2)	(2)	n/a	n/a	(19)	(17)
Investments for unit-linked contracts	n/a	n/a	(8)	2	n/a	n/a	n/a	n/a	(1)	(1)	n/a	n/a	(7)	2
<b>Total investments</b>	<b>(5)</b>	<b>–</b>	<b>(8)</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>(5)</b>	<b>(2)</b>	<b>(3)</b>	<b>(1)</b>	<b>10</b>	<b>4</b>	<b>(6)</b>	<b>2</b>
Reinsurers' share of reserves for insurance contracts	2	7	(16)	(9)	–	–	nm	nm	(5)	(3)	19	17	–	4
Deposits made under assumed reinsurance contracts	(5)	(1)	76	nm	(8)	(8)	n/a	n/a	(19)	(18)	14	14	(10)	(10)
Deferred policy acquisition costs	(1)	4	(8)	2	(34)	(34)	n/a	n/a	(11)	(6)	nm	nm	(7)	1
Deferred origination costs	n/a	n/a	(8)	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(8)	–
Goodwill	(6)	–	(12)	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(5)	–
Other intangible assets	(10)	(1)	(17)	(4)	5	5	(3)	1	(68)	(65)	n/a	n/a	(11)	(2)
Other assets	(5)	1	1	13	(22)	(22)	(11)	(9)	(11)	(8)	9	3	(5)	2
<b>Total assets (after cons. of investments in subsidiaries)</b>	<b>(4)</b>	<b>1</b>	<b>(8)</b>	<b>2</b>	<b>(6)</b>	<b>(6)</b>	<b>(5)</b>	<b>(2)</b>	<b>(4)</b>	<b>(2)</b>	<b>11</b>	<b>5</b>	<b>(6)</b>	<b>2</b>
<b>Liabilities</b>														
Liabilities for investment contracts	n/a	n/a	(8)	2	n/a	n/a	n/a	n/a	n/a	n/a	–	–	(8)	2
Reserves for insurance contracts, gross	(2)	3	(8)	2	(11)	(11)	(84)	(84)	(1)	–	20	17	(6)	2
Reserves for losses and loss adjustment expenses, gross	(4)	–	73	83	15	15	–	1	(11)	(6)	4	(3)	(4)	–
Reserves for unearned premiums, gross	5	12	(8)	5	(32)	(32)	(23)	(23)	(4)	1	(24)	nm	1	6
Future life policyholders' benefits, gross	(11)	(1)	(12)	–	n/a	n/a	(98)	(98)	8	8	46	46	(11)	–
Policyholders' contract deposits and other funds, gross	(6)	(1)	2	11	n/a	n/a	n/a	n/a	(4)	(4)	(3)	1	1	8
Reserves for unit-linked contracts, gross	n/a	n/a	(7)	3	n/a	n/a	1	n/a	(1)	(1)	n/a	n/a	(6)	2
Debt related to capital markets and banking activities	n/a	n/a	n/a	n/a	n/a	n/a	4	4	(19)	(17)	22	22	5	9
Senior debt	7	17	(37)	(31)	n/a	n/a	(12)	(9)	14	21	8	3	(12)	(9)
Subordinated debt	(18)	(17)	(27)	(18)	n/a	n/a	(7)	(5)	(12)	(5)	20	16	(7)	(5)
Other liabilities	(5)	2	(2)	7	4	4	6	19	(10)	(4)	5	(13)	(4)	3
<b>Total liabilities</b>	<b>(3)</b>	<b>3</b>	<b>(8)</b>	<b>2</b>	<b>(6)</b>	<b>(6)</b>	<b>(11)</b>	<b>(7)</b>	<b>(4)</b>	<b>(2)</b>	<b>11</b>	<b>5</b>	<b>(6)</b>	<b>2</b>
<b>Equity</b>														
Common shareholders' equity													(3)	(14)
Preferred securities													(8)	(9)
Shareholders' equity													(3)	(14)
Non-controlling interests													(16)	nm
Total equity													(4)	2
<b>Total liabilities and equity</b>													<b>(6)</b>	<b>2</b>



## Information for the six months ended June 30 – FX adjusted (unaudited)

General Insurance – Customer segment overview – FX adjusted	variance in % over the prior period, for the six months ended June 30, 2010													
	Global Corporate		North America Commercial		Europe General Insurance		International Markets		GI Global Functions including Group Reinsurance		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
Gross written premiums and policy fees	–	(2)	(4)	(4)	(4)	(6)	11	6	25	25	1	2	(2)	(4)
Net earned premiums and policy fees	(1)	(3)	(10)	(11)	(1)	(3)	5	–	31	31	n/a	n/a	(3)	(5)
Insurance benefits and losses, net	8	10	15	16	–	2	(21)	(15)	nm	nm	n/a	n/a	3	4
Policyholder dividends and participation in profits, net	nm	nm	25	25	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	86	85
Total net technical expenses	(4)	(1)	2	2	(2)	–	(6)	(2)	9	9	nm	nm	(2)	–
Net underwriting result	nm	99	51	50	(52)	(54)	nm	nm	nm	nm	nm	nm	(48)	(52)
Net investment income	(10)	(11)	(4)	(5)	(11)	(13)	8	1	27	27	nm	nm	(6)	(8)
Net capital gains/(losses) and impairments on investments	(91)	(92)	(89)	(89)	(91)	(91)	n/a	n/a	n/a	n/a	n/a	n/a	(90)	(90)
Net non-technical result (excl. items not included in BOP)	59	59	(17)	(16)	(7)	(3)	nm	nm	87	93	81	81	17	30
Business operating profit before non-controlling interests	31	27	(3)	(4)	(33)	(34)	(61)	(19)	nm	nm	n/a	n/a	(19)	(19)
Non-controlling interests	97	97	n/a	n/a	nm	nm	nm	nm	n/a	n/a	n/a	n/a	nm	nm
Business operating profit	31	27	(3)	(4)	(33)	(34)	(78)	(36)	nm	nm	n/a	n/a	(20)	(19)

General Insurance – Customer segment reporting – Europe General Insurance by region – FX adjusted	variance in % over the prior period, for the six months ended June 30, 2010																	
	United Kingdom		Germany		Switzerland		Italy		Spain		Southern Africa		Rest of Europe & Africa		Eliminations		Total	
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC
Gross written premiums and policy fees	(3)	(5)	(4)	(4)	4	–	(6)	(5)	(8)	(8)	3	(15)	(36)	(37)	97	97	(4)	(6)
Net earned premiums and policy fees	–	(2)	12	13	5	1	–	1	7	7	5	(14)	(29)	(30)	nm	nm	(1)	(3)
Net underwriting result	(94)	(94)	(23)	(23)	18	13	36	36	28	28	nm	nm	nm	nm	nm	nm	(52)	(54)
Business operating profit	<b>(47)</b>	<b>(48)</b>	<b>(32)</b>	<b>(31)</b>	<b>18</b>	<b>14</b>	<b>51</b>	<b>51</b>	<b>(17)</b>	<b>(17)</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>(33)</b>	<b>(34)</b>

General Insurance – Customer segment reporting – International Markets by region – FX adjusted	variance in % over the prior period, for the six months ended June 30, 2010																	
	Latin America		Asia-Pacific Mature Markets		China & South East Asia		Middle East		Rest of Asia Pacific & Middle East		Rest of International Markets		Eliminations		Total			
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC		
Gross written premiums and policy fees	–	4	22	5	23	20	n/a	n/a	n/a	n/a	n/a	n/a	100	nm	11	6		
Net earned premiums and policy fees	(12)	(6)	16	–	30	27	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5	–		
Net underwriting result	nm	nm	nm	(92)	nm	nm	n/a	n/a	n/a	n/a	n/a	n/a	nm	nm	nm	nm		
Business operating profit	<b>nm</b>	<b>18</b>	<b>(28)</b>	<b>(37)</b>	<b>(73)</b>	<b>(73)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>nm</b>	<b>nm</b>	<b>n/a</b>	<b>n/a</b>	<b>(78)</b>	<b>(36)</b>		

## Information for the six months ended June 30 – FX adjusted (unaudited)

Global Life –  
Overview  
– FX adjusted

variance in % over the prior period, for the six months ended June 30, 2010	Americas		United Kingdom		Germany		Switzerland		Ireland		Spain		Emerging Markets in Asia		Rest of the world		Eliminations		Total		
	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	% GC	% LC	
<b>Revenues</b>																					
Life insurance deposits	(54)	(54)	50	47	35	36	(17)	(21)	nm	nm	(12)	(12)	–	(2)	97	95	n/a	n/a	32	31	
Gross written premiums and policy fees	33	30	66	62	(5)	(5)	(3)	(7)	75	76	(47)	(47)	77	74	22	16	(68)	(66)	(4)	(5)	
Net earned premiums and policy fees	34	30	80	76	(5)	(5)	(3)	(7)	nm	nm	(48)	(48)	89	85	20	15	n/a	n/a	(5)	(7)	
Net investment income on Group investments	6	4	(10)	(12)	(4)	(4)	2	(2)	5	6	(17)	(16)	(10)	(10)	3	2	n/a	n/a	(3)	(4)	
Net capital gains/(losses) and impairments on Group investments	(50)	(50)	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	55	66	n/a	n/a	nm	nm	
Net investment result on Group investments	5	3	nm	nm	18	18	(2)	(6)	nm	nm	(18)	(17)	4	3	12	13	n/a	n/a	19	18	
Net investment income on unit-linked investments	nm	nm	(6)	(8)	(30)	(30)	nm	nm	6	6	64	65	nm	nm	50	31	n/a	n/a	–	(3)	
Net capital gains/(losses) and impairments on unit-linked investments	nm	nm	34	36	(96)	(96)	nm	nm	(47)	(47)	nm	nm	nm	nm	nm	nm	n/a	n/a	nm	nm	
Net investment result on unit-linked investments	nm	nm	92	92	(95)	(95)	nm	nm	(28)	(28)	nm	nm	nm	nm	(80)	(73)	n/a	n/a	(57)	(56)	
Other income	4	3	(7)	(9)	(20)	(20)	3	(2)	(81)	(81)	14	15	(20)	(22)	25	7	nm	nm	(2)	(7)	
<b>Total BOP revenues</b>	<b>10</b>	<b>8</b>	<b>nm</b>	<b>nm</b>	<b>(16)</b>	<b>(15)</b>	<b>(4)</b>	<b>(8)</b>	<b>24</b>	<b>24</b>	<b>(47)</b>	<b>(47)</b>	<b>80</b>	<b>76</b>	<b>(4)</b>	<b>(6)</b>	<b>nm</b>	<b>nm</b>	<b>(5)</b>	<b>(6)</b>	
<b>Benefits, losses and expenses</b>																					
Insurance benefits and losses, net	(35)	(28)	(57)	(53)	5	4	(3)	1	nm	nm	48	48	(53)	(50)	(15)	(14)	n/a	n/a	11	12	
Policyholder dividends and participation in profits, net	nm	nm	nm	nm	56	56	46	48	22	22	nm	nm	nm	nm	49	44	n/a	n/a	16	16	
Income tax expense/(benefit) attributable to policyholders	n/a	n/a	(82)	(82)	(25)	(25)	n/a	n/a	(10)	(11)	n/a	n/a	2	2	71	77	n/a	n/a	(98)	(98)	
Underwriting and policy acquisition costs, net	2	(4)	9	12	15	15	(1)	4	17	17	70	69	nm	nm	(15)	(10)	n/a	n/a	4	5	
Administrative and other operating expense (excl. depreciation/amortization)	(22)	(14)	(9)	(6)	31	31	9	13	(1)	(1)	(79)	(79)	(56)	(53)	(41)	(26)	nm	nm	(10)	(5)	
Interest credited to policyholders and other interest	1	–	16	18	(2)	(2)	27	30	n/a	n/a	83	83	(5)	(5)	28	28	nm	nm	(5)	(5)	
Restructuring provisions and other items not included in BOP	n/a	n/a	(50)	(51)	n/a	n/a	nm	nm	n/a	n/a	(45)	(45)	nm	nm	(35)	(35)	n/a	n/a	nm	nm	
<b>Total BOP benefits, losses and expenses</b>	<b>(7)</b>	<b>(3)</b>	<b>nm</b>	<b>nm</b>	<b>18</b>	<b>18</b>	<b>5</b>	<b>9</b>	<b>(24)</b>	<b>(24)</b>	<b>50</b>	<b>50</b>	<b>(87)</b>	<b>(83)</b>	<b>1</b>	<b>3</b>	<b>nm</b>	<b>nm</b>	<b>7</b>	<b>8</b>	
<b>Business operating profit (before interest, depreciation and amortization)</b>	<b>21</b>	<b>24</b>	<b>40</b>	<b>37</b>	<b>20</b>	<b>20</b>	<b>(1)</b>	<b>(5)</b>	<b>14</b>	<b>14</b>	<b>(8)</b>	<b>(8)</b>	<b>39</b>	<b>36</b>	<b>(33)</b>	<b>(34)</b>	<b>n/a</b>	<b>n/a</b>	<b>12</b>	<b>11</b>	
Depreciation and impairments of property and equipment	(4)	–	(3)	(1)	4	3	(29)	(23)	6	6	87	87	–	1	(1)	5	n/a	n/a	(1)	–	
Amortization and impairments of intangible assets	(16)	(13)	nm	nm	(73)	(73)	n/a	n/a	23	23	16	16	17	19	60	60	n/a	n/a	(22)	(22)	
Interest expense on debt	18	18	62	63	82	82	27	30	n/a	n/a	20	20	95	96	37	37	n/a	n/a	28	28	
Business operating profit before non-controlling interests	22	25	10	8	14	14	(1)	(5)	15	15	40	40	45	41	(13)	(15)	n/a	n/a	13	12	
Non-controlling interests	nm	nm	n/a	n/a	(14)	(14)	n/a	n/a	n/a	n/a	(30)	(30)	n/a	n/a	(4)	(4)	n/a	n/a	(35)	(35)	
<b>Business operating profit</b>	<b>20</b>	<b>24</b>	<b>10</b>	<b>8</b>	<b>14</b>	<b>14</b>	<b>(1)</b>	<b>(5)</b>	<b>15</b>	<b>15</b>	<b>49</b>	<b>50</b>	<b>45</b>	<b>41</b>	<b>(13)</b>	<b>(15)</b>	<b>n/a</b>	<b>n/a</b>	<b>12</b>	<b>12</b>	

## Summary of quarterly consolidated financial information (unaudited)

Summary of quarterly consolidated financial information <sup>1</sup>	in USD millions, for the three months ended	06/30/10	03/31/10	12/31/09	09/30/09	06/30/09	03/31/09	12/31/08	09/30/08	06/30/08
Gross written premiums and policy fees		<b>11,403</b>	14,983	13,352	13,039	13,184	14,242	12,800	12,399	12,345
Net earned premiums and policy fees		<b>10,670</b>	11,925	12,757	11,993	11,198	11,280	11,825	10,520	10,786
Net investment result on Group investments		<b>2,008</b>	1,970	1,684	1,970	1,515	759	1,077	769	1,793
Net investment income on Group investments		<b>1,782</b>	1,779	1,935	1,831	1,907	1,832	2,163	2,150	2,230
Net capital gains/(losses) on Group investments and impairments		<b>227</b>	191	(251)	140	(392)	(1,073)	(1,086)	(1,380)	(437)
Net investment result on unit-linked investments		<b>(4,169)</b>	4,533	2,549	9,004	4,226	(3,303)	(4,105)	(8,221)	(396)
Other revenues		<b>1,027</b>	1,014	1,281	1,172	1,031	1,004	980	957	1,171
Total revenues		<b>9,537</b>	19,443	18,270	24,139	17,969	9,741	9,776	4,026	13,354
Insurance benefits and losses, net of reinsurance		<b>8,535</b>	8,906	9,379	9,418	7,540	8,766	10,170	8,381	8,123
Policyholder dividends and participation in profits, net of reinsurance		<b>(3,936)</b>	4,781	2,629	9,041	4,418	(3,229)	(4,506)	(8,293)	(527)
Other expenses		<b>4,252</b>	4,258	4,842	3,997	4,016	3,765	4,298	4,057	4,208
Total benefits, losses and expenses		<b>8,851</b>	17,945	16,850	22,456	15,974	9,301	9,962	4,145	11,804
Net income before income taxes		<b>686</b>	1,497	1,420	1,683	1,995	439	(185)	(119)	1,550
Net income attributable to shareholders		<b>707</b>	935	1,028	968	1,434	532	205	154	1,254
Business operating profit		<b>1,027</b>	1,259	1,527	1,513	1,491	1,061	1,002	636	1,785

<sup>1</sup> Following the fair valuation of the closed U.S. life book and the related financial assets included in the Non-core business segment (see note 1 of the unaudited Consolidated Financial Statements), only quarterly consolidated financial information until 03/31/09 has been restated.

# Financial Supplement (unaudited)

## Explanatory notes

The information contained within the Financial Supplement is unaudited. This document should be read in conjunction with the Zurich Financial Services Group Financial Report 2009 and the unaudited Consolidated Financial Statements for the six months ended June 30, 2010.

Information regarding accounting policies and embedded value performance measures is located in the notes to the Consolidated Financial Statements and the embedded value report in the Financial Report 2009.

### FX adjusted information

The percentages of variance in Group Currency (%GC) and Local Currency (%LC) are calculated based on the following methodology:

For Income Statement items, the %GC is calculated translating the current year figures using average exchange rates for the current period, and prior year figures using average exchange rates for the same prior year period. The %LC is calculated translating both current and prior year figures using average exchange rates of the same period of prior year.

For Balance Sheet items, %GC is calculated translating current year figures using closing exchange rates at the end of the current period, and prior year figures using closing exchange rates at the end of the prior year period. The %LC is calculated translating both current and prior year figures using the closing exchange rates at the end of the prior year period.

### The Group

**Book value per share** – This measure is calculated by dividing common shareholders' equity by the number of shares issued less the number of treasury shares.

**Business operating profit (BOP)** – This measure is the basis on which we manage all our business units. It indicates the underlying performance of our business units by eliminating the impact of financial market volatility and other non-operational variables. Business operating profit reflects adjustments for shareholders' taxes, net capital gains on investments and impairments (except for the capital markets and banking operations included in Non-Core Businesses and investments in hedge funds and certain securities held for specific economic hedging purposes), policyholders' share of investment results for the life businesses, non-operational foreign exchange movements, and significant items arising from special circumstances, including gains and losses on divestments of businesses. **Business operating profit before interest, depreciation and amortization (BOPBIDA)** is BOP before interest expense on debt, depreciation of property and equipment and amortization and impairment of goodwill and other intangibles, but including amortization of DAC and DOC. **Adjusted business operating profit** is adjusted for notional investment income on the difference between the average actual IFRS equity and the average allocated IFRS equity using one global swap rate. Allocated IFRS equity is equal to a segment's share of the Group's total IFRS equity allocated based on the segment's proportion of the Group's total risk based capital (RBC) at each period end. The RBC split by segment for 2009 has been restated between General Insurance, Other Operating Businesses and Non-core Businesses, to reflect the current management structure. These measures are not a substitute for net income as determined in accordance with International Financial Reporting Standards (IFRS).

**Business operating profit (after-tax) return on common shareholders' equity** – This measure indicates the level of business operating profit or loss relative to resources provided by common shareholders. It is calculated as business operating profit or loss, annualized on a linear basis and adjusted for preferred shareholder dividends and taxes, divided by the average value of common shareholders' equity on a simple basis using the value at the beginning and end of the period.

**Investments** – Total investments on our consolidated balance sheets includes Group investments and investments for unit-linked products. Our **Group investments** are those for which we bear part or all of the investment risk. They also include investments related to investment policies with discretionary participation features. Average invested assets exclude cash collateral received for securities lending. We manage our diversified Group investments portfolio to optimize benefits for both shareholders and policyholders while ensuring compliance with local regulatory and business requirements under the guidance of our Asset/Liability Management and Investment Committee. **Investments for unit-linked products** include such investments, where the policyholder bears the investment risk, and are held for liabilities related to unit-linked investment contracts and reserves for unit-linked insurance contracts. They are managed in accordance with the investment objectives of each unit-linked fund. The investment result for unit-linked products is passed to policyholders through a charge to policyholder dividends and participation in profits.

**Operational debt** – This non-IFRS term refers to debt items that are excluded from rating agency leverage calculations such as collateralized loans, debt related to banking activities and obligations to repurchase securities.

**Return on common shareholders' equity (ROE)** – This measure indicates the level of profit or loss relative to resources provided by common shareholders. It is calculated as net income after taxes attributable to common shareholders, annualized on a linear basis, divided by the average value of common shareholders' equity on a simple basis using the value at the beginning and end of the period.

## General Insurance

The following General Insurance measures are net of reinsurance.

**Net underwriting result** – This performance measure is calculated as the difference between earned premiums and policy fees and the sum of insurance benefits and losses and net technical expenses.

**Total net technical expenses** – This line item includes underwriting and policy acquisition costs, as well as the technical elements of administrative and other operating expenses, amortization of intangible assets, interest credited to policyholders and other interest, and other income.

**Combined ratio** – This performance measure indicates the level of claims and net technical expenses during the period relative to earned premiums and policy fees. It is calculated as earned premiums and policy fees minus the net underwriting result, divided by net earned premiums and policy fees.

**Loss ratio** – This performance measure indicates the level of claims during the period relative to earned premiums and policy fees. It is calculated as insurance benefits and losses, which include paid claims, claims incurred but not reported (IBNR) and claims handling costs, divided by earned premiums and policy fees.

**Expense ratio** – This performance measure indicates the level of technical expenses during the period relative to earned premiums and policy fees. It is calculated as the sum of net technical expenses and policyholder dividends and participation in profits, divided by earned premiums and policy fees.

**Net non-technical result** – This line item includes the non-technical elements of administrative and other operating expenses, amortization of intangible assets, interest credited to policyholders and other interest, other income, as well as net gains and losses on divestments of businesses and interest expense on debt.

## Global Life

More detailed information regarding embedded value performance measures is located in the Embedded Value Report in the Financial Report 2009.

**Embedded value (EV) principles** – This methodology uses a “bottom-up” market consistent approach, which explicitly allows for market risk. In particular, asset and liability cash flows are valued using risk discount rates consistent with those applied to similar cash flows in the capital markets, and options and guarantees are valued using market consistent models calibrated to observable market prices.

**Insurance deposits** – These deposits, similar to customer account balances, are not recorded as revenues. However, the fees charged on insurance deposits are recorded as revenue within the gross written premiums and policy fees line item. These deposits arise from investment contracts and insurance contracts that are accounted for under deposit accounting. They represent the pure savings part, which is invested.

**New business annual premium equivalent (APE)** – This measure is calculated as new business annual premiums plus 10 percent of single premiums. **Present value of new business premiums (PVNBP)** is calculated as the value of new business premiums discounted at the risk free rate.

**New business value, after tax** – This measure reflects the value added by new business written during the period, including allowing for frictional costs, time value of options and guarantees, and the cost of non-market risk, and is valued at the point of sale. It is calculated as the present value of the projected after-tax profit from life insurance contracts sold during the period.

## Farmers

**Gross management result** – This performance measure is calculated as management fees and other related revenues minus management and other related expenses, which include amortization and impairments of intangible assets.

**Managed gross earned premium margin** – This performance measure is calculated as gross operating profit of Farmers Management Services divided by the gross earned premiums of the Farmers Exchanges, which are managed but not owned by Farmers Group, Inc. a wholly owned subsidiary of the Group.

**Surplus ratio (Farmers Exchanges)** – This measure indicates the amount of capital available to support the volume of insurance business written, and is calculated by dividing the end-of-period surplus balance by the net premium written in the preceding twelve month period.

## Disclaimer & Cautionary Statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predicated on or indicate future events, trends, plans or objectives of Zurich Financial Services Ltd or the Zurich Financial Services Group (the "Group"). Forward-looking statements include statements regarding the Group's targeted profit improvement, return on equity targets, expense reductions, pricing conditions, dividend policy and underwriting claims improvements, as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Financial Services Ltd or the Group to differ materially from those expressed or implied in the forward looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of the global economic downturn and a downturn in the financial services industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; and (viii) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Financial Services Ltd and its Group and on whether the targets will be achieved. Zurich Financial Services Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of the full year results.

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